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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,	:	
	:	
Plaintiff,	:	<u>VERIFIED COMPLAINT</u>
	:	
-v.-	:	20 Civ. ____
	:	
CERTAIN FUNDS ON DEPOSIT IN	:	
VARIOUS ACCOUNTS DETAILED HEREIN,	:	
AND ALL FUNDS TRACEABLE THERETO,	:	
	:	
	:	
Defendant <i>in rem</i> .	:	

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Plaintiff United States of America, by its attorneys,
GEOFFREY S. BERMAN, United States Attorney for the Southern
District of New York, and RICHARD E. ZUCKERMAN, Principal Deputy
Assistant Attorney General for the United States Department of
Justice Tax Division, for its Verified Complaint (the
"Complaint") allege, upon information and belief, as follows:

I. JURISDICTION AND VENUE

1. This action is brought by the United States of America pursuant to 18 U.S.C. §§ 981(a)(1)(C) and 981(a)(1)(A), seeking to recover funds on deposit in five bank accounts in Singapore (the "Defendant Funds"), which constitute proceeds of a scheme to defraud the Internal Revenue Service ("IRS") through the use of interstate and foreign wires, and property involved in money laundering.

2. The Defendant Funds that the United States of America is seeking to forfeit are the following:

- a. Any and all funds including but not limited to \$2,230 USD on deposit in account number 503245425301 in the name of MMT International Holdings Ltd. at Oversea-Chinese Banking Corporation in Singapore, and all funds traceable thereto (Subject Account-1);
- b. Any and all funds including but not limited to \$708,570 USD on deposit in account number 503609240401 in the name of MMT International Holdings Ltd. at Oversea-Chinese Banking Corporation in Singapore, and all funds traceable thereto (Subject Account-2);
- c. Any and all funds including but not limited to 432,377 CNH on deposit in account number 0003-0216417-01-0 in the name of MMT International Holdings Ltd. at DBS Bank in Singapore, and all funds traceable thereto (Subject Account-3);
- d. Any and all funds including but not limited to 5,523,412 CNH on deposit in account number 0003-009818-1 in the name of MMT International Holdings

Ltd. at DBS Bank in Singapore, and all funds traceable thereto (Subject Account-4); and

- e. Any and all funds including but not limited to 8,011,574 HKD on deposit in account number 0003-021646-01-9 in the name of MMT International Holdings Ltd. at DBS Bank in Singapore, and all funds traceable thereto (Subject Account-5);

(collectively, the "Subject Accounts").

3. This Court has jurisdiction pursuant to 28 U.S.C. §§ 1345 and 1355.

4. Venue is proper pursuant to 28 U.S.C. § 1355(b)(1)(A) because acts and omissions giving rise to the forfeiture took place in the Southern District of New York.

5. The Defendant Funds constitute proceeds of wire fraud and property involved in money laundering, and are thus subject to forfeiture to the United States pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 981(a)(1)(A).

II. NATURE OF THE ACTION

6. From at least in or about 2001 through at least in or about January 2019, in the Southern District of New York and elsewhere, WAYNE FRANKLYN CHINN, a/k/a "Frank Chinn" ("CHINN") willfully and knowingly engaged in a scheme to defraud the United States of America of a substantial part of the income taxes due and owing by CHINN for the calendar years 2001 through

2018 and to launder the proceeds of the fraudulent scheme. CHINN perpetrated the fraudulent scheme, which involved the use of interstate and foreign wires, through various means, including, among others: (a) concealing more than \$5 million in undisclosed and untaxed income (the "Undisclosed Funds") in offshore accounts at foreign banks, including Privatbank IHAG, based in Zurich, Switzerland; (b) utilizing nominee individuals, Liechtenstein and Panamanian foundations, and trusts to hold said offshore accounts for CHINN's benefit without disclosing the said accounts to U.S. authorities and paying income taxes on the income and assets thereon; and (c) with the help of co-conspirators, routing CHINN's Undisclosed Funds from undisclosed accounts at Privatbank IHAG through several nominee bank accounts outside of Switzerland, including accounts in Hong Kong, before returning the Undisclosed Funds to Privatbank IHAG in nominee accounts held in the name of a Singapore-based trust company purportedly on behalf of two foundations created by a co-conspirator as part of the scheme to continue to conceal CHINN's income and assets from U.S. authorities.

7. After CHINN's Undisclosed Funds returned to Privatbank IHAG as part of the above-described fraudulent scheme, CHINN, working with other co-conspirators, continued to

take steps to promote the tax evasion scheme and fraudulently conceal the Undisclosed Funds from the U.S. authorities, including by causing a substantial part of the Undisclosed Funds to be transferred from Switzerland to undeclared bank accounts in Singapore (the "Singapore Nominee Accounts"). The Singapore Nominee Accounts were nominally held in the name of a Singapore-based asset management firm. In actuality, however, the funds transferred to the Singapore Nominee Accounts belonged to CHINN.

8. Numerous financial transfers among foreign accounts in furtherance of the fraudulent scheme described herein passed through correspondent banks in the Southern District of New York. For example, on or about July 26, 2012, CHINN and his co-conspirators caused approximately \$1,200,000 USD in CHINN's funds to be transferred from an account at Privatbank IHAG in Switzerland to one of the Singapore Nominee Accounts through a correspondent bank in the Southern District of New York.

9. Ultimately, starting in or about 2014, CHINN, working with other co-conspirators, caused the Defendant Funds, which represent a portion of the Undisclosed Funds, to be transferred into the Subject Accounts in Singapore, in order to

promote his tax evasion scheme and defraud the U.S. government by further concealing the Undisclosed Funds.

10. In furtherance of the tax evasion scheme, the Subject Accounts are nominally held in the name of a corporate entity, MMT International Holdings Ltd., purportedly for the benefit for a third party. In actuality, however, the Defendant Funds held in the Subject Accounts belong to CHINN, who continues to maintain a financial and ownership interest in the Defendant Funds. The Subject Accounts are currently frozen by the Singapore government, which froze the Subject Accounts independently of the U.S. investigation of CHINN.

IV. CLAIMS FOR FORFEITURE

CLAIM ONE

Forfeiture Under 18 U.S.C. § 981(a)(1)(C) (Proceeds of Wire Fraud)

11. Paragraphs 1 through 10 of this Verified Complaint are incorporated by reference and re-alleged as if fully set forth herein.

12. Title 18, United States Code, Section 981(a)(1)(C) subjects to forfeiture:

Any property, real or personal, which constitutes or is derived from proceeds traceable to a violation of section . . . any offense constituting "specified unlawful

activity" (as defined in section 1956(c)(7) of this title), or a conspiracy to commit such offense.

13. Title 18, United States Code, Section 1956(c)(7)(A) defines the term "specified unlawful activity" to mean, in relevant part, "any act or activity constituting an offense listed in section 1961(1)"

14. Title 18, United States Code, Section 1961(1)(B), in turn, specifically refers to "any act which is indictable under any of the following provisions of Title 18, United States Code . . . Section 1343 (relating to wire fraud)."

15. Title 18, United States Code, Section 1343 provides that:

Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be fined under this title or imprisoned not more than 20 years, or both.

16. As detailed above, CHINN, together with other co-conspirators, engaged in a scheme to defraud the United States

of substantial income taxes. To execute this fraudulent scheme, the perpetrators used interstate and foreign wires, including through the Southern District of New York, to transfer the Defendant Funds between various undisclosed offshore accounts. As such, the Defendant Funds constitute or were derived from proceeds traceable to wire fraud, and thus, are subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C).

CLAIM TWO

**Forfeiture Under 18 U.S.C. § 981(a)(1)(A)
(Property Involved in Money Laundering)**

17. Paragraphs 1 through 10 of this Complaint are incorporated by reference and re-alleged as if fully set forth herein.

18. Title 18, United States Code, Section 981(a)(1)(A) subjects to forfeiture:

Any property, real or personal, involved in a transaction or attempted transaction in violation of section 1956 . . . of this title, or any property traceable to such property.

19. Title 18, United States Code, Section 1956(a)(1) provides criminal penalties for:

(a)(1) Whoever knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct a financial transaction which in fact involves the proceeds of specified unlawful activity -

(A)(i) with the intent to promote the carrying on of specified unlawful activity; or

(ii) with intent to engage in conduct constituting a violation of section 7201 or 7206 of the Internal Revenue Code of 1986; or

(B) knowing that the transaction is designed in whole or in part -

(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity; or

(ii) to avoid a transaction reporting requirement under State or Federal law.

20. Title 18, United States Code, Section

1956(a)(2)(A) provides criminal penalties for:

(a)(2) Whoever transports, transmits, or transfers, or attempts to transport, transmit or transfer a monetary instrument or funds from a place in the United States to or through a place outside the United States or to a place in the United States

from or through a place outside the United States -

(A) with the intent to promote the carrying on of specified unlawful activity.

21. Title 18, United States Code, Section 1956(c)(7)(A) defines the term "specified unlawful activity" to mean, in relevant part, "any act or activity constituting an offense listed in section 1961(1)"

22. Title 18, United States Code, Section 1961(1)(B), in turn, specifically refers to "any act which is indictable under any of the following provisions of Title 18, United States Code . . . Section 1343 (relating to wire fraud)."

23. Property "involved in" a money laundering offense includes any property used to facilitate the offense, including untainted funds comingled with criminal proceeds, and the assets of businesses or shell companies that are, as entities, involved in the laundering offenses. See *United States v. All Assets of G.P.S. Auto. Corp.*, 66 F.3d 483, 486 (2d Cir. 1995) (affirming forfeiture of all assets of corporation that "served as a conduit for the proceeds of the illegal transactions"); *United States v. Schlesinger*, 261 F. App'x 355, 361 (2d Cir. 2008) (summary order) (same); *In re 650 Fifth Ave.*, 777 F. Supp. 2d

529, 567 (S.D.N.Y. 2011) ("The ability to forfeit a business entity which is used to facilitate the offense of money laundering is well established." (internal quotation marks omitted)).

24. As part of the above-described scheme to defraud the United States of substantial income taxes, CHINN and his co-conspirators transferred the Defendant Funds, which represent proceeds of the wire fraud scheme described herein, between various undisclosed accounts outside the United States, including through accounts in the United States, doing so with the intent to promote the fraudulent scheme carried out against the United States and to engage in tax evasion, in violation of 26 U.S.C. § 7201, and knowing that these financial transactions were designed at least in part to conceal and disguise the nature, location, source, ownership, and control of the Defendant Funds, as well as to avoid transaction reporting requirements, namely the requirement to file FBARs reporting CHINN's offshore accounts, under federal law. The Defendant Funds are held in the name of entities that were created and used for the purpose of promoting the fraudulent scheme carried out against the United States and concealing the proceeds of that scheme. As such, the Defendant Funds constitute property

involved in money laundering in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i), 1956(a)(1)(A)(ii), 1956(a)(1)(B)(i), 1956(a)(1)(B)(ii), and 1956(a)(2)(A), or property traceable thereto, and are therefore subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(A).

WHEREFORE, plaintiff the United States of America prays that process issue to enforce the forfeiture of the defendant *in rem* and that all persons having an interest in the defendant *in rem* be cited to appear and show cause why the forfeiture should not be decreed, and that this Court decrees forfeiture of the defendant *in rem* to the United States of America for disposition according to law, and that this Court grant plaintiff such further relief as this Court may deem just

and proper.

Dated: New York, New York
April 30, 2020

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